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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/008,388	12/07/2001	Janice A. Kehrli	G04.008	2980
28062 7590 08/21/2007 BUCKLEY, MASCHOFF & TALWALKAR LLC 50 LOCUST AVENUE NEW CANAAN, CT 06840			EXAMINER SHERR, CRISTINA O	
			ART UNIT 3621	PAPER NUMBER
			MAIL DATE 08/21/2007	DELIVERY MODE PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/008,388	Applicant(s) KEHRLI ET AL.	
	Examiner Cristina Owen Sherr	Art Unit 3621	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 06/11/07.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1, 7-18, 20 and 23 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1, 7-18, 20 and 23 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. This communication is in response to applicant's amendment filed June 11, 2007. Claims 1, 7-18, 20 and 23 are currently presented for examination.

Response to Arguments

2. Applicant's arguments filed June 11, 2007 have been fully considered but they are not persuasive.
3. Applicant argues, with respect to the independent claims 1, 20 and 23, that nothing in the cited prior art discloses, teaches, or suggests determining information associated with an additional mortgage loan to be added to the portfolio in accordance with a contribution of the additional mortgage loan to the portfolio.
4. Examiner respectfully disagrees. Freeman et al (US 6,249,775) discloses a method for mortgage and closed-end loan portfolio management. Freeman further provides a system and method that enhances the ability of financial institution personnel to make decisions whether to retain or dispose of different groups of loans or whether to underwrite the said loans or groups of loans in the first place. (e.g. col 2 ln 57-64). In so doing, the bank or other financial institution is deciding whether a certain mortgage is likely to do well in the future, and thus whether it's worth adding that mortgage to the bank's group of mortgages and/or other loans. Note that *KSR* forecloses the argument that specific teaching is required for a finding of obviousness. *KSR*, 127 S.Ct. at 1741, 82 USPQ2d at 1396. Thus, it is obvious that in deciding whether a certain mortgage is worth underwriting, one is deciding whether that mortgage will do well in the future and

thus whether you want to add it to your group or portfolio of loans. In other words, whether it will enhance your portfolio.

Claim Rejections - 35 USC § 103

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. Claims 1, 7-18, 20 and 23 are rejected under 35 U.S.C. 103(a) as being unpatentable over Freeman et al (US 6,249,775).

7. Regarding claim 1 –

Freeman discloses a method to facilitate analysis of a commercial mortgage backed security portfolio (e.g. col 1 ln 5-10), comprising:

determining base information associated with a commercial mortgage backed security portfolio associated with a plurality of mortgage loans (e.g. col 3 ln 10-21);

determining information associated with an additional mortgage loan to be added to the portfolio in accordance with a contribution of the additional mortgage loan to the portfolio, including at least one desired profitability value for the additional mortgage loan (e.g. col 15 ln 35-43); and

calculating the loan spread associated with the additional mortgage loan in accordance with a contribution of the additional mortgage loan to the portfolio (e.g. col 12 ln 32-45).

8. Freeman does not disclose transmitting the above information to a user terminal via network. However, official notice is taken that such transmission is old and well known since the Internet and other such networks have come into widespread use.

9. It would be obvious to one of ordinary skill in the art to transmit such information in order to obtain greater economy than one would have otherwise by avoiding the need for a full set of hardware and software attached to every terminal.

10. As above, Freeman et al (US 6,249,775) discloses a method for mortgage and closed-end loan portfolio management. Freeman further provides a system and method that enhances the ability of financial institution personnel to make decisions whether to retain or dispose of different groups of loans or whether to underwrite the said loans or groups of loans in the first place. (e.g. col 2 ln 57-64). In so doing, the bank or other financial institution is deciding whether a certain mortgage is likely to do well in the future, and thus whether it's worth adding that mortgage to the bank's group or mortgages and/or other loans. Note that *KSR* forecloses the argument that specific teaching is required for a finding of obviousness. *KSR*, 127 S.Ct. at 1741, 82 USPQ2d at 1396. Thus, it is obvious that in deciding whether a certain mortgage is worth underwriting, one is deciding whether that mortgage will do well in the future and thus whether you want to add it to your group or portfolio of loans. In other words, whether it will enhance your portfolio.

11. Regarding claim 7 –

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Freeman discloses calculating the loan spread associated with the additional mortgage loan in accordance with a contribution of the additional mortgage loan to the portfolio (e.g. col 12 ln 59 – col 13 ln 4).

12. Regarding claim 8 –

Freeman discloses wherein the portfolio is associated with a plurality of credit rating categories, each credit rating category being associated with a current category size, and wherein said calculating includes: determining, for the additional mortgage loan, a category size for each credit rating category (e.g. col 1 ln 25-30,col 14 ln 16-21).

13. Regarding claim 9 –

Freeman discloses wherein the determination of category sizes for the additional mortgage loan is based on at least one of: a property type, a risk value, debt service coverage ratio information, and loan to value information (e.g. col 13 ln 49-59).

14. Regarding claim 10 –

Freeman discloses adding the category size for the additional mortgage loan to the current category size to determine a combined category size for each credit rating category (e.g. col 13 ln 11-23).

15. Regarding claim 11 –

Freeman discloses determining an original profitability of the portfolio; calculating a combined profitability of the portfolio and the additional mortgage loan based on the combined category sizes; and subtracting the original profitability from the combined profitability to determine a profitability of the additional mortgage loan (e.g. col 13 ln 60-65).

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16. Regarding claim 12 –

Freeman discloses wherein said calculation of the loan spread is an iterative process (e.g. col 16 ln 36-45).

17. Regarding claim 13 –

Freeman discloses wherein the iterative process includes:

- determining a trial loan spread for the additional mortgage loan;
- computing a resulting profitability based on the trial spread; and
- adjusting the trial loan spread, wherein said computing and adjusting are repeated until the resulting profitability is within a predetermined range of the desired profitability (e.g. col 13 ln 49-59, col 12 ln 59 – col 13 ln 4).

18. Regarding claim 14 –

Freeman discloses wherein said adjusting is based on duration of the additional mortgage loan (e.g. col 4 ln 61 – col 5 ln 5).

19. Regarding claim 15 –

Freeman discloses wherein said adjusting comprises:

- determining an original duration of the portfolio;
- calculating a combined duration of the portfolio and the additional mortgage loan;
- subtracting the original duration from the combined duration to determine the duration of the additional mortgage loan (e.g. col 4 ln 61 – col 5 ln 5).

20. Regarding claim 16 –

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Freeman discloses wherein the method is performed for a plurality of desired profitability values to determine a plurality of loan-spread values (e.g. col 15 ln 20-30).

21. Regarding claim 17 –

Freeman discloses wherein said calculating is performed via a substantially real-time pricing application (fig. 5).

22. Regarding claim 18 –

Freeman discloses wherein said calculating is further performed utilizing a function library adapted to generate loan and/or commercial mortgage backed securities cash flows (e.g. col 16 ln 55-65).

23. As above, Freeman does not disclose transmitting the above information to a user terminal via network. However, official notice is taken that such transmission is old and well known since the Internet and other such networks have come into widespread use.

24. Claims 20 and 23 are rejected under the same criteria as above.

25. Examiner's note: Examiner has cited particular columns and line numbers in the references as applied to the claims above for the convenience of the applicant.

Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may be applied as well. It is respectfully requested from the applicant, in preparing the responses, to fully consider the references in entirety as potentially teaching all or part of the claimed invention as well as the context of the passage as taught by the prior art or disclosed by the examiner.

Conclusion

26. THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

27. A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

28. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Cristina Owen Sherr whose telephone number is 571-272-6711. The examiner can normally be reached on 8:30-5:00 Monday through Friday.

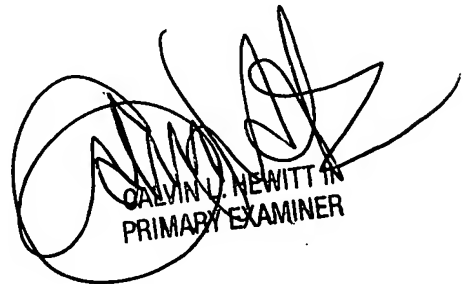
29. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Andrew J. Fischer can be reached on 571-272-6779. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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30. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.



Cristina Owen Sherr
Patent Examiner, AU 3621



CALVIN L. HEWITT
PRIMARY EXAMINER